

BROOME COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
UNIFORM TAX EXEMPTION POLICY
AMENDED MARCH 18, 2020

UNIFORM TAX EXEMPTION POLICY

The following Uniform Tax Exemption Policy will apply to all installment sales and lease agreements in which the Broome County Industrial Development Agency (BCIDA) holds nominal title to real and personal property on behalf of its clients.

A. MORTGAGE RECORDING TAX (1%)

1. BCIDA eligible projects are exempted from the payment of all mortgage recording taxes.
2. Actual mortgage recording tax savings must be reported to the BCIDA at year's end in compliance with Chapter 692 of General Municipal Laws of NYS as amended.

B. SALES TAX (8%)

1. BCIDA provides full sales tax exemption during initial construction and equipping of the subject facility only. No operating (on-going) sales tax exemptions are permitted by this policy.
2. All sales tax exemption agreements will have an expiration date of one (1) year from date of issuance. Extension of expiration dates must be approved by the Board of Directors.
3. Actual or estimated sales tax savings must be reported to the BCIDA at year's end in compliance with Chapter 692 of the General Municipal Laws of NYS as amended.

C. REAL PROPERTY TAX/Payments-in-lieu-of-Taxes (PILOT)

1. New Construction

- a. **Industrial** projects (manufacturing, assembly, R & D, processing, distribution, warehousing, etc.) consisting of **new construction**, will receive the following **tax abatement**: years **1-5, 75%**; years **6- 10, 50%**; years **11-15, 25%**.
- b. **Commercial** projects (wholesale, office, insurance, etc.) consisting of **new construction** will receive the following **tax abatement**: years **1-5, 50%** and years **6-10, 25%**.
- c. **Retail** projects will be reviewed on a case-by-case basis and must comply with The Agency's Retail Tax Abatement Policy.

2. Purchase of Existing Facilities

- a. **Industrial** projects consisting of the purchase of an **existing facility** will have **taxes frozen** at the level in place at the time of purchase **for 5 years**. In the event that the **existing facility** is tax-exempt at the time of purchase, **taxes shall be frozen** at the level that would have existed but for the existing tax-exemption. In years **6-10**, any **tax increase over the frozen level** will be **abated by 50%** and in years **11-15, 25%**.
- b. **Commercial** projects consisting of the purchase of an **existing facility** will have **taxes frozen** at the level in place at the time of purchase **for 3 years**. In the event that the **existing facility** is tax-exempt at the time of purchase, **taxes shall be frozen** at the level that would have existed but for the existing tax-exemption. In years **4 and 5**, any **tax increase over the frozen level** will be **abated by 50%** and in years **6-10, 25%**.
- c. **Retail** projects will be reviewed on a case-by-case basis and must comply with The Agency's Retail Tax Abatement Policy.

3. Improvement of Existing Facility (Previously Owned)

- a. Any project, **industrial or commercial**, which consists of **improving a previously owned facility**, will have taxes **frozen** at the level in place prior to improvements for **3 years**. In years **4 & 5**, any tax **increase over the frozen level** will be **abated by 50%** and in years **6-10, 25%**.
- b. **Retail** projects will be reviewed on a case-by-case basis and must comply with The Agency's Retail Tax Abatement Policy.

4. Leased Facilities

- a. In any lease transaction (new construction, existing building, etc.), **industrial or commercial**, the policies stated in Sections 1,2, and 3 will apply so long as the tax abatement benefits are passed on to the tenant/occupant. Both the beneficial owner and the tenant/occupant must certify in writing that all tax advantages provided by the IDA are accruing to the benefit of the tenant/occupant.
 - b. **Retail** projects will be reviewed on a case-by-case basis and must comply with The Agency's Retail Tax Abatement Policy.
5. Actual real property tax savings must be reported to the BCIDA at year's end in compliance with the NYS General Municipal Laws, Article 18-A, Title 1, Section 874 as amended.

D. REMITTANCE OF PAYMENTS IN LIEU OF TAXES

All payments-in-lieu-of-taxes are to be remitted to the affected taxing authority as if they were regular tax payments, unless otherwise determined by mutual agreement.

E. RECAPTURE OF BENEFITS

1. The Broome County Industrial Development Agency reserves the right to recapture benefits provided through the abatement of real property taxes in cases in which a company's performance is substantially different than anticipated, as defined below:
 - a. Sale or closure of facility and departure of company from Broome County;
 - b. Significant change in the use of the facility and/or business activities of the company, and;
 - c. Significant employment reductions not reflective of the company's normal business cycle and/or local and national economic conditions.

In cases deemed to meet one or more of the above conditions, the following recapture schedule will apply:

<u>Period</u>	<u>Accumulative Amount Of Recapture</u>
Within 3 Years	100%
Within 5 Years	85%
Within 10 Years	75%
Within 15 Years	50 %
After 20Years	25%

2. The time period above is from the effective date of the PILOT agreement. Imposition of this recapture policy is at the sole discretion of the BCIDA and will be considered on a case-by-case basis.

F. EXCEPTIONS TO REAL PROPERTY TAX (PILOT) POLICIES (“DEVIATED PILOTS”)

1. The Broome County Industrial Development Agency reserves the right to deviate from this policy if it is determined that a project will provide a major economic or employment impact to the County. This exception will require the written approval of the **Chief Elected Official** of the municipality in which the project is located.
2. For locations where a PILOT Policy is already in place, these policies will not apply. However, these locations do have the option of adopting these guidelines and are encouraged to do so.
3. “Spec” buildings and multi-use facilities will be considered on a case-by-case basis.
4. An exception to this policy will apply when a project is located in a “**Targeted Area**” (1) and consists of the purchase and renovation of a vacant facility or site. In those cases, a tax freeze will apply for **7 years** for **industrial** projects with **50%** abatement through **year 10**, and **25%** abatement in **years 11-15**. Commercial projects will receive tax freeze for **5 years**, with **50 %** abatement through **year 10**.
5. Applications that seek a deviation from the BCIDA’s Uniform Tax Exemption Policy will only be advanced to the Board of Directors when the following requirements have been met:
 - a. The applicant has consulted with BCIDA staff and provided an overview of the project seeking benefits;
 - b. The applicant has met with the assessing unit serving the municipality and developed a PILOT schedule;
 - c. The applicant has secured approval from the Chief Elected Officer of the municipality in which the project is located.

When all of these requirements have been met and upon completion of an Application for Benefits, BCIDA staff will advance an application for consideration to the Board of Directors.

(1) The Broome County Industrial Development Agency Board of Directors reserves the right to designate certain areas as “Target Zones”. A Target Zone is an area deemed to be blighted and/or an area with high potential to support economic activity beneficial to the residents of Broome County.

G. ENVIRONMENTAL AND ENERGY EFFICIENCY PROVISIONS

To the extent possible, practicable and economically feasible, the project must utilize resource conservation, energy efficiency, green technologies, and alternative and renewable energy measures.

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF UNIFORM REAL PROPERTY TAX EXEMPTION POLICY**

Years	New Construction Abatement		Purchase of Existing Facility Abatement		Improve/Expand of Existing Facility Abatement	
	Industrial	Commercial	Industrial	Commercial	Industrial	Commercial
1	75%	50%	Frozen (1)	Frozen (1)	Frozen (3)	Frozen (3)
2	75%	50%	Frozen	Frozen	Frozen	Frozen
3	75%	50%	Frozen	Frozen	Frozen	Frozen
4	75%	50%	Frozen	50% (2)	50% (2)	50% (2)
5	75%	50%	Frozen	50%	50%	50%
6	50%	25%	50% (2)	25% (2)	25% (2)	25%
7	50%	25%	50%	25%	25%	25%
8	50%	25%	50%	25%	25%	25%
9	50%	25%	50%	25%	25%	25%
10	50%	25%	50%	25%	25%	25%
11	25%	0%	25% (2)	0%	0%	0%
12	25%	0%	25%	0%	0%	0%
13	25%	0%	25%	0%	0%	0%
14	25%	0%	25%	0%	0%	0%
15	25%	0%	25%	0%	0%	0%

(1) Frozen at pre-purchase levels

(2) Percent of increase over frozen level

(3) Frozen at pre-improvement levels